GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2446
ANSWERED ON:18.03.2005
PROFIT OF BANKS
Appadurai Shri M.;Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

(a) whether the public sector banks have recently announced a sharp fall in their profits;

(b) if so, the details thereof, bank-wise;

(c) the reasons responsible for such huge losses;

(d) the gross profit of public sector banks as on March 31, 2004, bank-wise;

(e) the amount of actual write off of bad loans of public sector banks during the last three years; and

(f) the remedial measures taken or proposed to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) As per the latest available information none of the public sector bank has incurred any loss in the Operating Profit during the period from April 2004 to September, 2004. Bank-wise details are give in the statement enclosed.

(c) Does not arise.

(d) The bank-wise details of gross profits of public sector banks as on March 31, 2004 are given in the statement enclosed.

(e) The details of loans written off by public sector banks for the years 2001, 2002 and 2003 (latest available) are as under:

(Rs. in crores)

Year	Amount
2000-01	5002.30
2001-02	6261.70
2002-03	8791.60

(f) Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans, which inter-alia include evolving and implementing a recovery policy by banks, filing of suits in civil courts/DRTs, compromise settlement and monitoring and follow up of NPAs at various levels. The recent amendment of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has further strengthened the recovery process of the Banks.